

May 14, 1998

## **S. 1415 Creates a New State Retail Inspection Regime**

S. 1415 attempts to ensure state compliance with a law prohibiting the sale of tobacco products to minors. Section 213 of the bill (as reported by the Commerce Committee) requires a state to conduct *at least 250 random, unannounced inspections of retailers for every 1 million residents, every year*. Thus, a middle-sized state like Missouri would have to conduct 1,350 inspections each year. These inspections *must* be conducted monthly, *must* cover a range of retailers, and the sample *must* reflect the distribution of the under-18 population and the distribution of the retailers accessible to youth.

Further, states each year must submit reports to the Federal Government detailing their attempts and successes under this mandate, including a full description of how the inspections were conducted. Success is defined as a state being able to report that fewer than 5 percent of minors who attempted to purchase tobacco products were successful. If a state does not conduct the required inspections and file the required report, then the Secretary of Health and Human Services can withhold up to 5 percent of block grant money that otherwise would be available for complying states and retailers (see Sections 211, 212) under this bill.

The bill does not provide any up-front money for states to conduct these mandatory inspections. Thus, it appears that even if states fully comply with these inspection mandates, and even if they are able to report fewer than 5 percent of minors who attempted to purchase tobacco products were successful, there is no guarantee the grant money provided will meet or exceed the costs of the inspections. Further, the bill requires that half of the money received goes to retailers who have outstanding compliance records.

Attached, for your information, is a state-by-state breakdown of the number of random searches which a State would need to conduct based on the most recent data available from the Census Bureau.

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STATE	POPULATION as of 7/1/97	NUMBER OF INSPECTIONS PER YEAR
Alabama	4,319,154	1075
Alaska	609,311	150
Arizona	4,554,966	1125
Arkansas	2,522,819	625
California	32,268,301	8075
Colorado	3,892,644	975
Connecticut	3,269,858	825
Delaware	731,581	175
District of Columbia	528,964	125
Florida	14,653,945	3675
Georgia	7,486,242	1875
Hawaii	1,186,602	300
Idaho	1,210,232	300
Illinois	11,895,849	2975
Indiana	5,864,108	1475
Iowa	2,852,423	725
Kansas	2,594,840	650
Kentucky	3,908,124	975
Louisiana	4,351,769	1100
Maine	1,242,051	300
Maryland	5,094,289	1275
Massachusetts	6,117,520	1525
Michigan	9,773,892	2450
Minnesota	4,685,549	1175
Mississippi	2,730,501	675
Missouri	5,402,058	1350
Montana	878,810	225
Nebraska	1,656,870	425
Nevada	1,676,809	425
New Hampshire	1,172,709	300
New Jersey	8,052,849	2000
New Mexico	1,729,751	425
New York	18,137,226	4500
North Carolina	7,425,183	1850
North Dakota	640,883	150
Ohio	11,186,331	2775
Oklahoma	3,317,091	825
Oregon	3,243,487	800
Pennsylvania	12,019,661	3000
Rhode Island	987,429	250
South Carolina	3,760,181	950
South Dakota	737,973	175
Tennessee	5,368,198	1350
Texas	19,439,337	4850
Utah	2,059,148	500
Vermont	588,978	150
Virginia	6,733,996	1675
Washington	5,610,362	1400
West Virginia	1,815,787	450
Wisconsin	5,169,677	1300
Wyoming	479,743	125
TOTAL	267,636,061	66,825
* Source-U.S. Bureau of the Census		